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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric
Company Proposing Cost of Service and
Rates for Gas Transmission and Storage
Services for the Period 2015 - 2017 (U39G).

And Related Matter.

Application 13-12-012
(Filed December 19, 2013)

Investigation 14-06-016

**RULING GRANTING JOINT MOTION OF THE OFFICE OF RATEPAYER
ADVOCATES AND THE UTILITY REFORM NETWORK FOR A RULING
SUSPENDING THE PROCEDURAL SCHEDULE AND OTHER RELIEF AND
IMPOSING AN *EX PARTE* COMMUNICATIONS BAN**

On September 18, 2014, the "Joint Motion of the Office of Ratepayer Advocates and The Utility Reform Network for a Ruling Suspending the Procedural Schedule and Convening a Prehearing Conference and Request for Order Shortening Time for Responses" (Joint Motion) was filed.

The Joint Motion requests that the procedural schedule in these proceedings be suspended, and that a prehearing conference (PHC) be convened to discuss a revised schedule. In addition, the Joint Motion requests that if a ruling is not issued on this request before the responses to the Joint Motion are due, that an order be issued to shorten the time for parties to file a response to the Joint Motion.

On September 19, 2014, Administrative Law Judge (ALJ) John S. Wong issued an e-mail ruling on the service list granting the request of the Office of Ratepayer Advocates (ORA) and The Utility Reform Network (TURN) to shorten

the time to respond to the Joint Motion. In that e-mail ruling, the ALJ granted the request of ORA and TURN to shorten the response time, and allowed parties until September 23, 2014 to file (instead of September 22, 2014 as ORA and TURN had requested) a response to the Joint Motion.

Separate responses to the Joint Motion were filed by Pacific Gas and Electric Company (PG&E), Indicated Shippers, Northern California Generation Coalition (NCGC), and United Energy Trading, LLC (UET).

Under the current procedural schedule, as set forth in the April 17, 2014 scoping memo and ruling, evidentiary hearings are scheduled to begin on October 6, 2014, and to continue through October 24, 2014 as needed. In addition, the current schedule anticipates a decision to be adopted by the Commission in March 2015.

The Joint Motion makes three arguments as to why the current procedural schedule should be suspended. First, that the “Notice of Improper *Ex Parte* Communications” (Notice) that PG&E filed on September 15, 2014 “raises concerns about other instances in which PG&E may have also attempted to interfere with decisions and judgments of Commission staff,” and as a result, “TURN has issued a data request to PG&E to inquire into these matters.” (Joint Motion, at 1-2.) The Joint Motion contends that responses to the data request could lead to additional discovery or the need for testimony. The Joint Motion also states that because of PG&E’s September 15, 2014 Notice, and the subsequent September 17, 2014 ruling ordering PG&E to appear and to show cause on October 7, 2014, ORA and TURN plan to also participate in the Order to Show Cause (OSC), which imposes resource and timing constraints on them.

The second argument is that “the recent release of the Presiding Officers’ Decisions (PODs) in the PG&E Enforcement Investigations also affects the

appropriate schedule and procedure for this case, in two respects.” (Joint Motion, at 2.) First, if an appeal of those PODs is made, the Joint Motion states that replies to any appeal will be due on October 17, 2014, which conflicts with the evidentiary hearing schedule in this proceeding, and imposes a resource constraint on ORA and TURN who plan to reply to any appeal that may be filed. Second, the Joint Motion states that “the violations and remedy determinations in the PODs/Final Decisions in the Enforcement Investigations will likely affect the extent to which shareholders are required to absorb some of the costs PG&E proposes in this case,” and that “PG&E must also demonstrate that its proposed revenue requirement in this case does not include amounts that overlap with the POD remedies. (Joint Motion, at 3.)

The third argument as to why the current procedural schedule should be suspended is because of the size of PG&E’s rebuttal testimony, and the time needed to analyze PG&E’s rebuttal testimony in light of the other resource and time constraints brought on by PG&E’s September 15, 2014 Notice.

The responses of the Indicated Shippers, and UET, support the Joint Motion’s request to suspend the current schedule, while NCGC supports the holding of a PHC to discuss the issues raised by the Joint Motion and to determine if the current schedule needs to be modified.

PG&E’s response opposes the request in the Joint Motion to suspend the current schedule and to hold a PHC. PG&E’s first argument is that a delay in the current schedule is not in the public interest because this will result in more time before a decision can be adopted that provides PG&E with “needed guidance on how much PG&E should spend operating, maintaining and improving its system in 2015,” and the impact on the planning, procurement and scheduling that needs to take place. (PG&E Response, at 1.) PG&E also contends that a delay in

the evidentiary hearings “is at odds with the important Commission goal to provide guidance and clarity regarding the work that PG&E should do to reduce risk and ensure the safety and reliability of its system.” (PG&E Response, at 2.)

PG&E’s second argument is that none of the reasons that ORA and TURN set forth in the Joint Motion justifies a delay in the current schedule. Regarding PG&E’s September 15, 2014 Notice, and the ruling on the OSC, PG&E contends that the burden of responding to the OSC on October 2, 2014, as ordered in the September 17, 2014 ruling, is primarily on PG&E, and the hearing date of the OSC can be “accommodated without a full suspension of the hearing schedule.” (PG&E Response, at 2.) PG&E also contends that the discovery request of TURN for additional information is “entirely speculative,” and “provides no basis for an indeterminate delay of the proceeding.” (PG&E Response, at 3.)

On the release of the PODs in the San Bruno investigations, and possible time conflicts with this proceeding, PG&E contends that accommodations could be made that do not require a change in the current schedule.

Regarding the argument in the Joint Motion that this proceeding needs to take into account any remedies that may be ordered as a result of the PODs, PG&E contends that the procedural vehicle to accomplish that “is in the Compliance Filing contemplated in the Consolidated Penalty POD,” and that “there is no reason that the intersection between the two proceedings can or should be resolved before hearings can take place in the GT&S Rate Case.” (PG&E Response, at 4.)

As for the Joint Motion’s argument that the size of PG&E’s rebuttal testimony should result in a delay of the current schedule, PG&E contends that there is nothing unusual about the size of its rebuttal testimony “given that roughly 20 parties served direct testimony on August 11,” and the issues in this

proceeding. (PG&E Response, at 4.) PG&E also points out that the majority of the attachments to its rebuttal testimony are data request responses that were raised by the opening testimony of the parties.

After reviewing the Joint Motion, the responses to the Joint Motion, and the impact PG&E's September 15, 2014 Notice has had on the assignment of these proceedings, the Joint Motion requesting a suspension of the current schedule and to hold a prehearing conference to discuss a revised schedule, is granted as follows. The current schedule for this proceeding, as set forth in the April 17, 2014 scoping memo and ruling, is suspended, and the evidentiary hearing dates set for October 6, 2014 through October 24, 2014 shall be taken off calendar. A date to convene a prehearing conference to discuss the revised schedule will be determined in the coming days. The schedule for the OSC, as set forth in the September 17, 2014 ruling, remains unchanged.

Due to the disclosures in PG&E's September 15, 2014 Notice, and consistent with the authority in Public Utilities Code § 1701 and Rule 9.1 of the Rules of Practice and Procedure, and to ensure compliance with Public Utilities Code § 702, all *ex parte* communications in this proceeding are prohibited except for an all-party meeting arranged by a Commissioner in accordance with Rule 8.3(c)(1).

IT IS RULED that:

1. The request in the September 18, 2014 Joint Motion of the Office of Ratepayer Advocates and The Utility Reform Network for an order shortening time for responses to the Joint Motion was granted in the e-mail ruling that was served on the parties in this proceeding on September 19, 2014.
2. The request in the September 18, 2014 Joint Motion to suspend the current schedule in this proceeding, as set forth in the April 17, 2014 scoping memo and

ruling, is granted, and the evidentiary hearings that are set for October 6, 2014 through October 24, 2014 shall be taken off calendar. The schedule for the Order to Show Cause, as set forth in the September 17, 2014 ruling of Administrative Law Judge Hallie Yacknin, remains unchanged.

3. The request in the September 18, 2014 Joint Motion to convene a prehearing conference to discuss the future schedule in this proceeding is granted, and a date for that prehearing conference will be issued in the near future.

4. Until further notice, all *ex parte* communications in this proceeding are prohibited, except for an all-party meeting arranged by a Commissioner in accordance with Rule 8.3(c)(1).

Dated September 25, 2014, at San Francisco, California.

/s/ DOROTHY DUDA for
Timothy J. Sullivan
Acting Chief Administrative
Law Judge